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Latimer, Becky

From: Latimer, Becky
Sent: Tuesday, February 4, 2020 10:49 AM
To: '
Subject: 2019-281-S

Dear Ed Koehne,

This is to acknowledge receipt of your Letter of Protest/Comments to the Public Service Commission of South Carolina. Your Letter of Protest/Comments will be placed in the Protest File of the Docket listed below and on the Commission's Website at www.psc.sc.gov.

- Docket No. 2019-281-S - Application of Palmetto Utilities, Incorporated for Adjustment (Increase) of Rates and Charges, Terms and Conditions, for Sewer Service Provided to Customers in Its Richland and Kershaw County Service Areas

A Protestant is an individual objecting on the ground of private or public interest to the approval of an Application, Petition, Motion or other matters which the Commission may have under consideration. A Protestant may offer sworn testimony but cannot cross-examine witnesses offered by other parties.

According to the Commission's Rules of Practice and Procedure, filing a Protest does not make you a Party of Record. A Protestant desiring to become an Intervenor (i.e., a Party of Record) in a proceeding before the Commission may file a Petition for Intervention within the time prescribed by the Commission.

You can follow this Docket and other daily filings made at the Commission by subscribing to the Commission's Email Subscriptions at this link: <https://dms.psc.sc.gov/Web/Email>; or you can follow the individual Docket at the link listed below:

Docket No. 2019-281-S - Application of Palmetto Utilities, Incorporated for Adjustment (Increase) of Rates and Charges, Terms and Conditions, for Sewer Service Provided to Customers in Its Richland and Kershaw County Service Areas <https://dms.psc.sc.gov/Web/Dockets/Detail/117238>

If we may be of further assistance to you, please do not hesitate to contact us.

Sincerely,
Becky Latimer



* Required Fields

Date: * 1/28/20

Letter of Protest
Docket No. 2019-281-S

Protestant Information:

Name * Ed W Koehne

Mailing Address *

City, State Zip * Blythewood SC

Phone *

E-mail

1. What is your connection or interest in this case? * For example, are you a customer of the Company that is the subject of this pending proceeding? (This section must be completed. Attach additional information if necessary.)

Customer of Palmetto Utilities

2. Please give a concise statement of your protest. * (This section must be completed. Attach additional information if necessary.)

1..Up to March of 2018 my bill from Palmetto Utilities was \$36.50/month.

2..April of 2018 bill increased to \$49.08

3..May of 2018 bill increased to \$52.10 and this is the current rate.

Proposed increase under above docket # is \$66.62. This is an 82.5% rate increase from my March 2018 bill and less than 2 years have transpired. My wife and I are retired and have fixed incomes. I am a captive customer and have little choice in this matter unless I choose to move from Richland county in my senior years. The facts Mr Daday presented in his townhall meeting do not reflect the complete picture. He is displaying average rates from other sewage service providers that predominantly charge based on consumption calculations. He wants to charge us a flat rate and claim he is at or below the average rate the other sewage providers are charging. Let's take a look at this!! (See attachment)

3. Do you wish to make an appearance at a hearing in this proceeding, if scheduled, and offer sworn testimony? *

Yes, if I am able and the time and location is reasonable. Has anyone from the PSC looked at his data, verified the authenticity of the data and done an impact study to fully understand what is happening to the majority of the households in this service district???

Signature Required:

Attachment to Letter of Protest

Docket # 2019-281-S

1/28/20

First of all, the Palmetto Utilities (PUI) chart (Neighboring Wastewater Rates) used at the town hall meetings starts with an assumption! That is an average of 6,000 gallons per household. This number is currently unknowable for their service district since they claim City of Columbia will not provide them actual consumption or usage by household. Even accepting this number there are some significant factors that are not apparent with a simple average number. What does the distribution of the size of a household look like when plotted (graphed) for water consumption? Is the slope of the graph linear, convex or concave with rapid or gradual deviations from a single linear slope? Without seeing actual verifiable data we just can't know! What any statistician will tell you is that the shape of that slope can significantly impact the average!

This is knowable though and can be verified:

1. Most of those that consume less than the supposed average will be comprised of the following:
 - Retirees and Empty Nesters...most on fixed incomes
 - Newly wedded couples struggling to make their way
 - Single member households such as widowers, unmarried working adults
 - The elderly! (this group deserves to be recognized)
 - Retired Vets (large population in Richland Co because of Ft Jackson)
2. Most of the population that consume above the supposed average will be comprised of the following:
 - Larger family size
 - Larger yards to water
 - Swimming pools, water features and hot tubs

Since PUI can assume I'm going to assume there are more households below their average number! It is obvious that a flat rate system does an extreme disservice to those who can least afford it and actually rewards those that are higher consumers and more likely to be able to afford it.

Another point! How was this average number determined by the 12 wastewater facilities PUI lists in their presentation? Was it a one month sample, one year sample? What statistical methodology did these companies use to determine their rates? Are the statistical methodologies the same? Are commercial and non-commercial customers defined the same way? The last few years have seen heavy droughts which increase water consumption.

As stated at the beginning an 82.5% rate increase from March 2018 till whenever it goes into effect is obscene even if spread out over 3 years!!! Truthfully, the 43% increase granted in 2017 which went into effect on May 2018 was astounding. My pre-2018 bill of \$36.50 is still higher than many of my friend's current bills in Richland and Lexington Counties.

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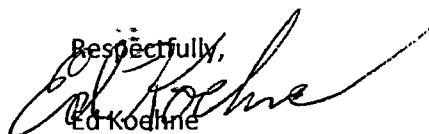
I have a question about PUI's list of 12 neighboring wastewater rates. Is this all of the local wastewater service providers? I know of at least one provider right here in Richland Co that is not listed! Are there more local providers not listed because their rates don't serve PUI's interests? The one I am aware of charges a flat rate of \$81 qtrly.

Let's talk about PUI's slide titled "How Rates are Determined-Brief Summary".

1st Bullet point: In any business case ROI will be different. A reasonable ROI for PUI considering the area served should probably be lower than the ROI for another company serving a different area. To suggest the return levels in South Carolina are consistent with levels in other states is pretty vague and possibly disturbing. This service area is largely composed of military retirees, state employees and retirees, service sector jobs and some health care. Certainly a significant population of middle to lower income wage earners unfortunately. To state their ROI should be comparable to other states is vague. What states? Georgia has Atlanta, North Carolina has Charlotte and Raleigh Durham, Florida has Tampa and Miami. The whole state of SC has nothing like these cities. The lowcountry and upstate of SC has much more high tech and higher paying jobs than we do in the PUI service area. The real question should be: Is their ROI in line with other providers serving communities with a similar earnings level? Let's play their average game for a minute. The numbers they are pulling from "other states" must be averages right? I am sure there are some ROIs below that average number as well as some above the average number. If you look at SC and specifically PUI's service district I believe you will see the population on average is well below the incomes of these other states... no matter what states they are sampling. Considering lower incomes it would seem reasonable to expect companies serving communities such as ours to expect well at least below average ROI.

Making general statements about the need for more money isn't the way business is done. Their whole presentation was vague and ambiguous. Considering the very recent large 43% rate increase I find this to be a very disturbing trend especially when my friends outside of this service area are paying SIGNIFICANTLY less than I am. Is this company responsible with their earnings or are they taking advantage of a captive customer and it appears no real oversight???? Please we need, I want specifics!!! The citizens pay the bills and the government works for us. If you want to use the "They are a private business line" OK, but the PSC has a fiduciary responsibility to the citizens! One more point! I am sure other utilities and service providers are watching this play out with the PSC and are chomping at the bits to get in line for their piece of the pie at the public's expense!!!!

Respectfully,



Ed Koehn